(b) the main reasons for the short fall; and

(c) the timely steps, if any, taken to achieve the collection targets?

THE MINISTER OF STATE IN THE MINISTER OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) The budget estimates for (i) customs and (ii) Excise duties during 1998-99 are Rs. 48148 and 57425 crores respectively. The trend of revenue collections indicates that the collections will fall short of estimates. The extent of shortfall, however, will be known only at the end of the current financial year.

(b) Fall in international prices of several commodities and sluggish growth in domestic manufacturing sector are the main reasons for short fall in the revenue collections.

(c) Revenue position is constantly monitored. All possible measures are being taken including gearing up of administrative machinery to maximise revenue collections.

Updating of Recepits of Premia by LIC

65. SHRI ANIL SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that LIC asks the Policyholders to produce receipts to reconcile missing entries of premium paid by them;

(b) why there is no system of regular updating of receipts of premia in the LIC's offices;

(c) why LIC harasses its customers by threatening 'gaps' in their policy if receipts are not produced; and

(d) why there is no system in LIC of sending cumulative statements each year in respect of premia received by it till that year?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) to (c)The LIC has a system of regular updating of receipts of premium in their officies. The Policyholders are asked to produce receipts _ only if there is any discrepancy on account of certain gaps in the payment of premium.

(d) Premium receipts are issued to the policyholders for each payment. In case premium receipts are lost by the policyholder, on request duplicate receipts are issued. 85% of the branches of the LIC have since been fully computerised and they serve about 95% of the total policies of the LIC. In branches which are computerised, it is possible to give cumulative statements if the policyholder demands for the same.

Effect of Hike in duty on imports of Gold

66. DR. MANMOHAN SINGH: Will the Minister of FINANCE be pleased to state:

(a) the estimated imports of gold into India during 1997-98 and 1998-99;

(b) the reasons for the spurt in gold imports; and

(c) the effect of recent hike in import duty on gold imports?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) The quantity of gold imported into India during 1997-98 was 635.786 tonnes. The estimated import of gold into India during 1998-99 is expected to be around 550 tonnes.

(b) There was spurt in import of gold in initial months when import of gold was allowed through nominated agencies to take care of unsatiated pent-up demand.

(c) The effect of recent hike of import of gold would be fully appreciated after a couple of months.

Rescheduling of Loans given to Cement and Steel Companies

67. SHRI AMAR SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government have received any suggestion from the Federation of Indian Chambers of Commarce and Indsstry to the effect that the loans of cement and steel companies who have defaulted on repayment to Financial Institutions and Banks be rescheduled;

(b) if so, the details thereof; and

(c) the decision taken by Government thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) to (c) In the suggestions made by the various organisations of Industry including the Federation of Indian Chambers of Commerce and Industry, the problem of timely repayment of loans taken from financial institutions (FIs) for financing the ongoing projects by some cement and steel companies has been brought to the notice of the Government. Any restructuring of loans or provision of additional assistance from the financial institutions to any company as to be based purely on commercial considerations and assessment of the institutions concerned after due consideration to prudential norms on exposure and asset classification of the portfolio. Accordingly, reschedulement is considered on case to case basis on merits and FIs do not grant reschedulement of loans as a matter of course.

Recruitment Policy of Private Sector Banks

68. SHRI O.P. KOHLI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the private banks do not have a recruitment policy in consonance with the one existing for the public sector banks and make recruitment of their staff/managerial appointments from the areas where their headquarters are located.

(b) if so, whether there is any proposal to direct such banks to have a recruitment policy on regional basis; and

(c) whether under the Bipartite Settlement staff is not to be posted beyond 80 kms. of the language area but the same is being violated with impunity by the private sector banks not having region based recruitment?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) There is no uniform recruitment policy in the private sector banks and each private sector bank has its own policy.

(b) There is no proposal to direct private sector banks to have a recruitment policy on ' regional basis.

(c) Government has not laid down any recruitment policy for recruitment by the private sector banks. Each private sector bank has its own recruitment policy. Government does not collect any information regarding the violation, if any, of the bipartite settlement in regard to the posting of staff by the private sector banks. Violations, if any, of the provisions of the agreements entered into between the management and the union are matters that any aggrieved person may take up with the concerned forum/authority as available in the bank as also under Industrial Disputes Act.

Licences to Private Sector Banks

69. SHRI O.P. KOHLI: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India is required to satisfy itself of the existence of a potential scope of expansion of banking activities in any area where the same is already in existence before granting any licence to a banking company;

(b) whether the RBI has granted licences to many private banks in areas where there were already branches of public sector banks after nationalisation of banks thereby prejudicially affecting the working of banking system in such areas; and

(c) if so, whether Government propose to look into this matter and check the further growth of private banks in areas covered by public sector banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN). (a) Reserve bank of India issues licences for setting up banks in the private sector under Section 22 of the Banking Regulation Act, 1949, which *inter alia,* provides that before granting any licence under this Section, the Reserve Bank of India may require to be satisfied by an inspection of the books of the company or otherwise that having regard to the banking facilities available in the proposed pre-area of operations of the company, the potential scope for expansion of banks already in existence in the area and other relevant